

Summary

Senate Chair's 2006 Supplemental Pension Budget

Legislative Changes to Implement Pension Budget

- SSB 6896 Sections 1-2: Creates a Pension Funding Stabilization Account in the state treasury. Moneys in the account would be invested by the Washington State Investment Board (with earnings retained by the account less expenses) and used only for the payment of the state government employer contributions for members of PERS, TRS, SERS, and PSERS.
- SSB 6896 Section 3: Re-establishes contribution rates for the Unfunded Actuarial Accrued Liability in the Plans 1 of PERS (effective January 1, 2007) and TRS (effective September 1, 2006).
- SSB 6896 Section 4: Appropriates \$350 million from the State General Fund to the Pension Funding Stabilization Account.

Comparison of Total Employer Contribution Rates*

System	Current Rates	Current Policy 2006-07**	Senate's Proposal 2006-07***
PERS	2.25%	3.50%	5.27%
TRS	2.73%	3.25%	4.54%
SERS	2.75%	3.75%	4.62%

* Excludes the administrative expense rate.

** Excludes the cost of future gain-sharing benefits. Effective 7/1/2006 for PERS; 9/1/2006 for TRS and SERS.

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Projected Employer Pension Contributions (Preliminary Estimate; GF-S in millions)*

The table below compares projected employer contributions from the State General Fund under current policy, with and without the cost of future gain-sharing benefits, to projected employer contributions under the Senate Chair's proposed pension budget.

Period	Current Policy without Gain-sharing	Current Policy with Gain-sharing	Senate's Proposal**
2006-07	\$212	\$212	\$264
2007-08	\$416	\$507	\$503
2008-09	\$471	\$566	\$562
2009-10	\$569	\$670	\$665
2010-11	\$601	\$707	\$702

* Includes preliminary estimates for LEOFF, WSP and PSERS.

** Includes cost of future gain-sharing beginning 7/1/2007 (not specified in the Senate Chair's budget proposal).

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